

ALGERIA

Tariffs

Currency: Algerian
Dinar (AD)

Item	Description	Custom Duties	Value Added Tax	Custom Formalities	Custom Fees
2401	Unmanufactured Tobacco	15%	21%	2%	0.4%
2402	Cigars, Cigarillos& Cigarettes	15%	21%	2%	0.4%
2403	Other Manufactured Tobacco	15%	21%	2%	0.4%

Discussion

Tobacco commercialization, production and manufacturing is controlled by a state monopoly, the State-owned company of Societie Nationale de Tabacs et Allumettes.

Taxes

In addition to the above charges, there is an internal consumption tax for cigars and cigarillos of 2245 Algerian Dinar per kilo, or \$US 38. Cigarettes are assessed an internal consumption tax of 2237 Algerian Dinar. And tobacco products under HS#2403.99 are taxed an internal consumption tax of 1185 Algerian Dinar per kilo or \$20 US.

Anti-smoking

Any form of tobacco advertising is forbidden. The health warning, "Tobacco consumption is bad for health", is required on all cigarette packs.

ARGENTINA

Tariffs

Currency: Peso

Item	Description	Duty Tax	Statistical Tax
2401	Unmanufactured Tobacco, Tobacco Refuse	17%	0.5%
2402.10	Cigars, Cheroots, Cigarillos	23%	0.5%
2402.20	Cigarettes	23%	0.5%
2402.90	Other	23%	0.5%

Import Requirements and Restrictions

All tobacco and tobacco products are required to pay the indicated duties. The Government requires that cigarettes sold in Argentina, including imported cigarettes, have an Argentine tax stamp affixed to the cigarette pack under the cellophane wrapper.

Taxes

Total excise taxes on cigarettes are close to 68 percent, which are lower than it has been in the past several years. There is a 16-percent excise tax on cigars and a 20-percent excise tax on cut tobacco.

Anti-smoking measures

Under Argentine Law No. 23344, all cigarette, cigar, and tobacco packages are required to have health hazard warnings with the following legend: "Smoking is harmful for Health". Moreover, this measure includes a ban on all tobacco advertising on radio and television between 8 a.m. and 10 p.m. Advertisements for tobacco products are banned in publications and cinema programs for people under 18. There are some local regulations such as in Capital Federal Province which prohibit the sale of cigarettes to persons under age 16 years old; and in Buenos Aires Province, the legal age to buy cigarettes is 18 years old. Also restaurants are required to have a nonsmoking designated area.

There are no major anti-smoking campaigns in Argentina. The Government has done very little so far, while private organizations do not have sufficient funds to attract large numbers of smokers into their programs. Occasionally, anti-smoking films are shown on television.

AUSTRALIA

Tariffs

Currency:
Australian
Dollar

Item	Description	Import Duty (\$/kg)
2401	Unmanufactured Tobacco; Tobacco Refuse	Free
2402.10	Cigars, Cheroots and Cigarillos, Containing Tobacco; of a kind for which the Chief Executive Officer of Customs has declared a wholesale list price by instrument in writing published in the Gazette	\$85.92 per kg plus 50.32% of the total list price
2402.90	Other	\$232.17 per kg
2402.10	Cigarettes containing tobacco, of a kind for which the Chief Executive Officer of Customs has declared a wholesale list price by instrument in writing published in the Gazette	\$86.92 /kg plus 50.32% of the total list price
2402.91	Cigarette Containing Tobacco, of a weight such that there are no more than 1200 per kilogram	\$232.17/kg
2402.99	Other	\$350.00/kg
2403.10	Smoking Tobacco, Whether or not containing tobacco substitutes in any proportion, Of a kind for which the Chief Executive Officer of Customs has declared a wholesale list price by instruments in writing published in the Gazette	\$86.92/kg plus 50.32% of the total list price
2403.80	Other	\$232.17/kg

Item	Description	Import Duty (\$/kg)
2403.91	Other, of a kind for which the Chief Executive Officer of Customs has declared a wholesale list price by instrument in writing published in the Gazette	\$86.92/kg plus 50.32% of the total list price
2403.99	Other	\$232.17/kg

Discussion

The Australian tobacco industry recently underwent major changes. As the Government of Australia (GOA) deregulated the industry. The national production quota, the Average Minimum Price (AMP), and the Local Leaf Content Scheme (LLCS) ended in January 1995. This restructuring is aimed at making the Australian industry internationally competitive.

Import Requirements and Restrictions

The importation and manufacture of smokeless tobacco products is banned due to health concerns.

Taxes

Unmanufactured tobacco remains free of duty. Most tobacco products attract a duty of A\$86.92/kilogram plus 50.32 percent of the wholesale list price which are published in the Commonwealth Gazette. Other tobacco products attract a duty of A\$232.17/kg, or \$350/kilogram. The Australian Government recently released a tax reform package which includes a plan to convert the duty on cigarettes from a hybrid ad valorem and weight based scheme to a per stick duty for both local and imported product.

Anti-smoking

The anti-smoking lobby in Australia is gaining momentum with increasing restrictions being imposed each year. Smoking is banned in Federal and most State government buildings, domestic airline flights, commonwealth owned/controlled airport terminals, and on international flights flying over Australia. Smokeless tobacco products are banned, and age limits for tobacco products are in place in all states.

All tobacco products must carry a health warning and voluntary indications of tar and nicotine content are shown on cigarette packages. No cigarettes may be manufactured or landed in Australia which have a tested tar level in excess of 18mg per cigarette or a tested nicotine level of more than 1.6 mg per cigarette. Individual state governments retain the largest regulatory authority over health issues, and mandatory health labeling requirements on cigarettes vary accordingly.

The GOA decided that as of April 1, 1992 no new contracts for tobacco sponsorship of sporting events would be permitted. There is also a limited exemption for internationally televised events of international sports or cultural activities held in Australia.

The GOA banned all forms of other tobacco advertising from July 1, 1993 (tobacco advertising was already banned in print media, and on radio and

television). This means tobacco companies are no longer able to advertise their tobacco products on billboards, in cinemas and on non-tobacco merchandise such as T-shirts, watches, lighters, and hats.

BAHRAIN

Tariffs

Currency: Bahrain Dinar

Item	Description	Rates
2401	Tobacco	\$70
2402	Cigarettes	\$15 per 1000 Pieces

Import Requirements and Restrictions

Importation of tobacco products is handled by the private trade and is free from any government involvement. There are no import quotas, monopoly practices, licensing regimes, currency or other restrictions except those noted below under anti-smoking measures.

Taxes

There are no state or local income taxes, or sales taxes or levies other than the tariffs noted above.

Anti-smoking Measures

The tobacco policy of Gulf Cooperation Council (GCC) member countries is based on the resolutions of the GCC Health Ministers meeting in Riyadh in January 1986. Those resolutions were aimed at unifying GCC policy toward tobacco importers and to curb smoking for health reasons. Under the existing charter of the GCC, each member is free to adopt or implement the resolution as it chooses. Provisions include:

- (1) tar and nicotine levels are required to be printed on cigarette packs in both Arabic and English and must not exceed 12 mg tar and 0.8 mg nicotine;
- (2) a health warning is required as follows: "Health warning: Smoking is a main cause of lung cancer and lung diseases and diseases of the heart and arteries." This warning must be printed in both Arabic and English on the front or side of the cigarette pack; and
- (3) a cigarette package cannot contain more than 20 cigarettes.

Advertising is banned on television and radio. It is permitted in print media and sponsorship of specified events. Importing cigarette brand advertising materials such as ashtrays, lighters, T-shirts, etc. is prohibited.

BULGARIA

Tariffs

Currency: Leva

Tariff	Item	General	Special
2401.10.10	Raw or Unprocessed Tobacco, Virginia Type	10%	7%
2401.10.20	Raw or Unprocessed Tobacco, Burley Type	10%	7%
2401.10.30	Raw or Unprocessed Tobacco, Tobacco Light Air Dried of Maryland	10%	7%
2401.10.41	Kentucky Type	10%	7%
2401.10.49	Tobacco Light Air Dried	40%	30%
2401.10.60	Raw or Unprocessed Tobacco, Oriental	60%	45%
2401.10.70	Tobacco, Dark Air Dried	40%	30%
2401.10.90	Other Tobacco	40%	30%
2401.20	Tobacco, Partly or Wholly Stemmed/Stripped, Virginia Type	10%	7%
2401.20.20	Tobacco, Partly or Wholly Stemmed/Stripped, Burley	10%	7%
2401.20.30	Tobacco Light Air Dried, Burley	10%	7%
2401.30	Tobacco Waste	40%	30%
2402.10	Cigars and Cigarillos	40%	30%
2402.20.00	Cigarettes Containing Tobacco	40%, Minimum 7.7 ECU/1000 Pieces	30%, Minimum 5.8 ECU/1000 Pieces

Tariff	Item	General	Special
2402.90	Other	40%, Minimum 7.7 ECU/1000 Pieces	30%, Minimum 5.8 ECU/1000 Pieces
2403.10	Smoking Tobacco Whether or Not Containing Tobacco Substitues in any Proportion	40%	30%
2403.91	Homogenized or Reconstituted Tobacco	5%	3%
2403.99	Other	5%	3%

Discussion

Bulgaria obtained membership to the WTO in 1996. Bulgaria has a trade agreement with the EU, EFTA, Czech Republic, Slovak, and the Republic of Slovenia. Also, Bulgaria established a free trade zone with the Czech Republic, Slovak, and the Republic of Slovenia.

EFTA or European Free Trade Agreement: It is a trade agreement that allows non-EU countries to receive preferential treatment. Iceland, Norway, and Switzerland are the only members.

There is a preferential import and duty quota of 6,000 metric tons of raw or unprocessed tobacco at a 7-percent import duty for the European Union. Thus, the import duty is reduced by 70 percent of the standard quota within this quota.

Import Requirement and Restrictions

Imports of tobacco leaf and products are issued a special permit by the Ministry of Finance.

Labeling

The Government of Bulgaria, GOB, requires imported tobacco to have a special sanitary permit or certificate for importation, registration, and sales. Imported tobacco is also required to have a label and instructions for consumer use in the Bulgarian language. If tobacco is to be re-exported or not sold in the country, labeling is not required.

Taxes and Tariffs

General tobacco imports are assessed a 22-percent VAT, a 2-percent temporary import duty, and a 60-percent excise duty. The 0.5 percent cross-border fee

will be replaced by a customs service fee in 1998. Cigarettes, in addition to these charges, are levied specific duties ranging from 30 to 40 percent with a minimum duty ranging from 7.7 percent to 5.8 percent pieces.

Non-Tariff Barriers

In February 1997 the GOB set a minimum price for producers/importers which is used as a basis for levying VAT and excise duties. Traders can charge a maximum of 20 percent above the minimum price. Producers/Importers need to obtain a permit from the National Price Commission to increase price beyond the "ceiling price".

Import Restrictions

Devaluation of the leva and high inflation has reduced tobacco trade. The Government of Bulgaria increased prices of imported cigarette brands to counteract the devaluation of the leva. Thus, foreign companies complained of price discrimination by the government. In response to the complaints, the GOB increased the price of domestic cigarettes.

Anti-smoking

The government has anti-smoking legislation. Smoking is not permitted in the workplace. Smoking in public places such as restaurants, pubs, airplanes, trains, vessels, etc are allowed in designated areas only. Manufactures are allowed to advertise brand names of cigarettes without showing products, (a pack of cigarettes or the cigarette itself). However, cigarette advertisements are not allowed in children's television broadcasts and in places close to schools. If an individual violates any of the above, a fine of 100 leva and 5,000 to 200,000 leva for the second violation is assessed. A fine of 1.5 million leva is levied on companies that sell cigarettes to teenagers under 16.

Although the government of Bulgaria has anti-smoking legislation, there is very little enforcement.

COSTA RICA

Tariffs

Currency: Costa Rica
Colon

Item	Description	Import Duty (percent ad valorem)
2401.10.10	Unmanufactured Tobacco, Virginia	1%
2401.10.20	Unmanufactured Tobacco, Burley	19%
2401.10.30	Unmanufactured Tobacco, Oriental	1%
2401.10.90	Others	19%
2401.20.10	Tobacco, Partly or Wholly Stemmed or Stripped, Virginia	5%
2401.20.20	Burley	5%
2401.20.30	Turkish (Oriental)	1%
2401.20.90	Others	5%
2402.10.00	Cigars, Cherrots and Cigarrillos	19%
2402.20.00	Cigarettes	40%
2402.90.00	Others	19%

Discussion

As local production declined over the last few years, tariffs on unmanufactured tobacco were reduced to allow local manufactures to import at more competitive prices.

Import licenses and other restrictions were eliminated under the Uruguay Round.

Taxes

In addition to an ad valorem duty, a fixed tax of 1 percent applies to all imported products. A sales tax of 13 percent applies to all unmanufactured and manufactured tobacco products. In addition, manufactured tobacco products are assessed an internal selective consumption tax applied to the combined CIF value and external tariff. The rate of this tax is set at 70 percent. This tax is applied to imported and domestic products. Unmanufactured tobacco enter duty free from the other Central American countries. Manufactured tobacco classified under HTS code 2402.20.00, cigarettes, from the Central American region currently pay an ad valorem tax of 26 percent. This tariff is scheduled to decline an additional 30 percent in January 1999 for regions outside of Central America.

Anti-smoking

Smoking is prohibited in the work place, in public buildings, and in public buses. Advertising of cigarettes on television is only allowed after 8 p.m. or during news broadcasting. During tv programming, smoking by actors is prohibited. There are active campaigns by the Ministry of Health and private associations promoting physical fitness and anti-smoking. Since June 1989, the following health warnings appeared on cigarette products: "Cigarettes causes cancer, lung, and cardiovascular emphysema"; "Cigarette smoke affects pregnant women."

DOMINICAN REPUBLIC

Tariffs

Currency: Dominican Peso (RD\$)

Item	Description	Rates
2401	Raw Tobacco	15 percent of C&F Value
	Semi-processed Tobacco	20 percent of C&F Value
	Tobacco Wastes	15 percent of C&F Value
2403	Cigars and Cigarettes	30 percent of C&F Value
	Other Types	30 percent

Discussion

Under the World Trade Organization (WTO) agreement, the Dominican Republic bound its maximum tariff for all agricultural commodities at 40 percent. However, tobacco products imported by cigar factories established in duty free zones or those covered by special incentive laws are exempt from all duties. Cigarettes are subject to an 8-percent VAT. Tobacco and tobacco products are assessed the following:

a basic tariff of 15 to 30 percent;
a C&F Value;
a selective surcharge of 30 percent of the basic tax;
and VAT of 8 percent of the C&F value.

Import Restrictions

High import duties coupled with low domestic prices have deterred cigarettes imports from the United States.

Taxes

Retail prices of all cigarettes are fixed by the government with tax rates set in RD\$ per pack as follows:

- Blond cigarettes: 0.47
- Dark cigarettes: 0.07

Anti-Smoking

There are currently no organized anti-smoking activities or restrictions.

ECUADOR

Tariffs

Currency: Sucre

Item	Description	Import Duty (Percent Ad Valorem)
2401	Unmanufactured Tobacco	14%
2402.20	Tobacco, Partly or Wholly, Stemmed/Stripped: not Threshold or Similarly Processed	19%
2401.30	Tobacco Refuse	14%
2402	Cigars, Chroots, Cigarillos, and Cigarettes, of Tobacco or of Tobacco Substitutes	25%
2403	Other Manufactured Tobacco and Manufactured Tobacco Substitutes, "Homogenized" or "Reconstituted" Tobacco, Tobacco Extracts and Essences	25%

Import Requirements and Restrictions

Import certificates are required for all imports. Additional provisions are as follows:

- (1) imports under HS# 2401 require previous authorization issued by the Ministry of Agriculture;
- (2) all imports are subject to a 0.5-percent additional surcharge, applicable for the "Children Nutritional Fund (INFA)" calculated as 0.5 (CIF value plus the ad-valorem tariff rate);
- (3) all imports are subject to a 0.1-percent tax for Customs Upkeep and Modernization;
- (4) imports of cigarettes made with tobacco light and dark, under HS# 2402.20 will be charged with a "Special Consumption Tax" (ICE) as follows:

Description	ICE Percent
Manufactured with Light Tobacco	75%
Manufactured with Dark Tobacco	18%

- In the case of imported cigarettes, the ICE is calculated as: CIF value, plus ad-valorem tariff rate, plus taxes (1) and (2)) multiplied by 110 percent;
- (5) imports of manufactured cigarettes made with tobacco light and dark, will pay a 10-percent Value Added Tax, which is equal to the CIF value, plus ad-valorem tariff rate, plus taxes (1) and (2); and
 - (6) imports under HS# 2401.10 in natural condition, will not pay a VAT, and do

not need a certification issued by the "National Direction of Rents" at the point of entry.

Anti-Smoking

Every pack of cigarettes and cigars must have a warning stating that smoking tobacco is harmful to health. Smoking is prohibited in public areas and airplane flights.

In public places, such as in restaurants, there are non-smoking areas. Smoking advertisements are allowed to be aired on television and radio. In addition, there is a law which prohibits the sale of cigarettes under age.

EL SALVADOR

Tariffs

Currency: Salvadoran
Colon

Discussion

El Salvador, in accordance with its GATT obligations reduced the import duty for tobacco from 50 to 20 percent ad valorem. This rate is applied to member and non-member countries of the Central American Common Market.

Import Requirements and Restrictions

The Ministry of Finance requires a printed statement on each imported cigarette package that must read, "Importation a El Salvador".

Taxes

The Government of El Salvador no longer controls retail cigarette prices. Manufacturers must report new prices to the Ministry of Economy. However, a 5-percent stamp tax is paid in addition to the net value, and a consumption tax of 42.5 percent is applied in addition to the consumer price.

Anti-smoking

The Ministry of Health requires a printed warning on each package of cigarettes stating that cigarette smoking is dangerous to health. This action does not appear to have significantly affected consumer demand for tobacco products in El Salvador. The government does not engage in any other sort of anti-smoking campaign.

GUATEMALA

Tariffs

Currency: Quetzal

Item	Description	Import Duty (Percent Ad Valorem)
2401	Unmanufactured Tobacco; Tobacco Refuse	7%
2402	Manufactured Tobacco; Tobacco Extracts and Essences	17% to 20%

Import Requirements and Restrictions

A license from the Ministry of Economy is required to import tobacco and tobacco products.

Taxes

A 44-percent luxury tax is assessed on the retail price of all imported cigarettes. In addition to the luxury tax, a 10-percent value-added tax is assessed on cigarettes.

Anti-smoking

The Ministry of Public Health requires cigarette manufactures to print a warning label on each package, "The Ministry of Public Health advises that the use of this product is dangerous to one's health".

HONDURAS

Tariffs

Currency: Lempira

Item	Description	Import Duty (Percent Ad Valorem)
2401.1010	Unmanufactured Tobacco, Virginia	5%
2401.1020	Unmanufactured Tobacco, Burley	5%
2401.1030	Unmanufactured Tobacco, Oriental	1%
2401.1090	Other	5%
2401.2010	Tobacco, Partly or Wholly Stemmed/Stripped, Virginia	5%
2401.2020	Tobacco, Partly or Wholly Stemmed/Stripped, Burley	5%
2401.2030	Tobacco, Partly or Wholly Stemmed/Stripped, Oriental	1%
2401.2090	Other	5%
2401.3010	Virginia	5%
2401.3020	Burley	5%
2401.3030	Oriental	1%
2401.3090	Other	5%
2402.1000	Cigars, Cheroots & Cigarillos Containing Tobacco	19%
2402.2000	Cigarettes Containing Tobacco	55%
2402.9000	Other	19%
2403.1010	Other Manufactured Tobacco and Manufactured Tobacco Substitutes; "Homogenized" or "Reconstituted" Tobacco; Tobacco Extracts and Essences	19%
2403.9100	"Homogenized or Reconstituted" Tobacco	1%
2403.9900	Other	5%

Discussion

Honduras has been gradually reducing its tariff regime since the early 1990s. Tariffs for unmanufactured tobacco dropped from 50 percent in 1990 to 5 percent in 1998. Tariffs for manufactured tobacco products dropped from 70 percent to 19 percent. However, cigarette tariffs dropped to 55 percent. In February 1992, free trade was established in Central America, allowing the duty free importation of unmanufactured tobacco from sources outside Central America when the tobacco is to be incorporated into an export product.

Taxes

Manufactured tobacco products, particularly cigarettes, are heavily taxed in Honduras. In addition to a 55-percent duty, cigarettes are also subject to a 30-percent production/consumption tax, a 15-percent sales tax (for virtually all other products the sales tax is 12%), and a .5-percent surcharge for customs and administrative services.

Anti-smoking

The Government's anti-smoking efforts are coordinated by the Honduran Institute for the Prevention and Treatment of Alcoholism, Drug Addiction and Dependency (IHADFA). IHADFA allocates approximately one quarter of its annual budget to anti-smoking activities. These activities include television and radio anti-smoking campaigns, dissemination of anti-smoking literature, and educational seminars and workshops for students and future teachers. IHADFA also regulates tobacco company advertising, by restricting its association with sports, celebrities, national symbols and youths. Warning labels on cigarette packs which specify both nicotine and tar levels are required in Honduras. However, enforcement of most anti-smoking regulations in Honduras is less than ideal. Although to a lesser extent than in the United States, smoking is banned in more and more public and private establishments. IHADFA is also analyzing the possibility of taking legal action against tobacco companies which market cigarettes in Honduras.

JAMAICA

Tariffs

Currency: Jamaican
Dollar

Item	Description	Import Duty	Additional Stamp Duty	Special Consumption Tax-Ad Valorem	Special Consumption Tax- Specific
2401	Unmanufactured Tobacco; Tobacco Refuse				
2402	Cigars, Cheroots, and cigarillos, Containing Tobacco	30	56	12	
2402 2000	Cigarettes Containing Tobacco	30	56	39.9	\$113.034
2402 9000	Cigars, Cheroots, Cigarillos of Tobacco Substitute	30			
2403 1000 .10	Smoking Tobacco, Containing Tobacco Substitute in any proportion`	30	56	12	
2403. 1000 .20	Smoking Tobacco, Containing Tobacco Substitute in any proportion				
2403. 9010	Snuff containing Tobacco	30	56	12	
2403 9010 .20	Snuff containing Tobacco Substitutes	30	12		

Item	Description	Import Duty	Additional Stamp Duty	Special Consumption Tax-Ad Valorem	Special Consumption Tax- Specific
2403.9090	Tobacco Manufactured, Homogenised or Reconstituted Tobacco, Tobacco Extracts and Essences	30	56	12	
2403.9000	Tobacco Substitute Manufactures	30			

Import Requirements and Restrictions

There are no import licensing requirements for tobacco products and no import restrictions. Non-CARICOM member countries are assessed a 30-percent import tariff on any tobacco product, manufactured or unmanufactured.

CARICOM: Caribbean Community and Common Market. Member countries are as follows: Antigua, Barbuda, Bahamas, Belize, Dominica, Grenada, Guyana, Jamaica Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago

Taxes

Under the Generalized Consumption Tax (GCT) implemented in October 1991, all tobacco, manufactured and unmanufactured, is assessed a 15-percent duty at the point of sale.

Anti-smoking

There are no anti-smoking activities or restrictions.

JAPAN

Tariffs

Currency: Yen

Item	Description	Import Duty, General	Import Duty, WTO
2401	Unmanufactured Tobacco	Free	Free
2402	Cigars, Cheroots, and Cigarillos containing Tobacco	20.0	17.3
2402.20	Cigarettes containing Tobacco (Per 1,000 Pieces for Yen Value)	8.5+290.70 Yen	9.0+307.80 Yen
2402.90	Other	4.0	3.6
2403.10.100	Pipe Tobacco	35	31.5
2403.10.20	Other	4.0	3.6
2403.91	"Homogenized" or "Reconstituted" Tobacco	Free	Free
2403.100	Tobacco Extracts and Essences	Free	Free
2403.200	Other	4.0	3.6

Discussion

Currently, the Ministry of Finance holds 67-percent of the stock of Japan Tobacco Inc., JTI. The other 33 percent of the shares is owned by private investors. The Tobacco Institute of Japan, which is comprised of JTI and foreign cigarette manufactures, established a voluntary policy of restricting the use of popular movie stars, singers or television celebrities for advertising cigarettes.

Non-tariff Barriers

JTI is a monopoly manufacturer of tobacco. It is the only authorized buyer of imported leaf. Also, it is the only authorized cigarette manufacturer in Japan. Since JTI is a monopoly, they control investment and market access in the tobacco industry. They are also able to influence taxation as well as agricultural production policy in Japan.

Taxes

A total tax of 6,252 Yen per 1,000 pieces is levied on all brands of cigarettes regardless of price or origin, of which 3,126 Yen goes to the national government (state) account, 692 Yen to the prefectural governments including Tokyo, Osaka and Kyoto metropolitan governments and Hokkaido government, and 2,434 Yen to the municipal and smaller, provincial governments (i.e. townships and villages).

For travelers entering Japan with cigarettes purchased overseas, up to 200

pieces per person can be brought in with a traveler tax-free. A tax rate of 5,000 Yen per 1,00 pieces is levied on the quantity beyond 200 pieces.

Anti-smoking Measures

There is no nationally enforced law prohibiting smoking except where a fire hazard exists. All smoking restrictions have been implemented on a voluntary basis by the cigarette industry. Voluntary restrictions are as follows: an increase in the size of non-smoking sections or areas on domestic airline flights with a total ban on smoking on flights of one hour or less; prohibitions on smoking on subway platforms in all metropolitan areas including Tokyo, Osaka, and Nagoya; and a ban on smoking on all public transportation, unless specified otherwise, including trains, buses, cabs and ships.

The industry is also against vending machine sales between 11:00 pm and 7:00 am in order to prevent juveniles from using the machines to buy cigarettes.

REPUBLIC OF KAZAKSTAN

Tariffs

Currency: Kazakstani
Tenge

Item	Description	Custom Duty	VAT
2401	Unmanufactured Tobacco	5%	20%
2402	Cigars and Cigarettes	30% but no less than 3 EQU per 1,000 pieces	20%

Discussion

All cigarette packs must be marked by special excise stamps. Importers are required to glue the excise stamp on the package.

Taxes

There is a excise tax of 2 EQU for 1,000 pieces for cigarette.

Anti-smoking

The Government of Kazakstan prohibits smoking inside of government and public buildings. The government limits advertising on televions. These measures have not affected cigarette consumption.

KOREA

Tariffs

Currency: South Korea
Won

Item	Descriptions	Import Duty
2401	Unmanufactured Tobacco; Tobacco Refuse	20%
2402	Cigars, Cheroots, Cigarillos and Cigarettes, of Tobacco or Tobacco Substitutes	40%
2402.20.10	Cigarettes containing Tobacco: Filter Tip Cigarettes	Free
2402.20.90	Cigarettes containing Tobacco: Other	40%
2403	Other Manufactured Tobacco and Manufactured Tobacco Substitutes; Homogenized or Reconstituted Tobacco; Tobacco Extracts and Essences	40%

Import Requirements and Restrictions

According to the Tobacco Business Law, only the Korean Tobacco and Ginseng Corporation (KT&G), the state tobacco monopoly, or a company consigned by the KT&G can import leaf tobacco and by-products into Korea. There are no restrictions on importing manufactured cigarettes.

Taxes

The following taxes are assessed on cigarettes (both domestic and imported):

Taxes	Rates
Consumption Tax	460 Won per Pack
Education Tax	Consumption Tax * 40%
Waste Disposal Tax	4 Won Per Pack
National Health Promotion Fund	2 Won Per Pack

Value Added Tax (VAT): (Consumption Tax+Education Tax+Additional Charges) * 10%

Anti-smoking

Each pack of cigarettes must carry one of three health warnings recommended by the Korean Association of Smoking and Health. The warning used most often on the cigarette packs states "Warning: Smoking can cause lung cancer, etc. Smoking is especially hazardous to pregnant women and minors". This warning may be printed in any color. Health warnings also are required in all tobacco advertising. Smoking is banned on all domestic flights, in the subway, and on buses. All public places must designate a non-smoking area.

PAKISTAN

Tariffs

Currency: Pakistani Rupee

Item	Description	Sales Tax	Import Duty (Percent Ad Valorem)
2401	Unmanufactured Tobacco; Tobacco Refuse	12%	45%
2402	Cigars, Cheroots, Cigarillos, and Cigarettes	45%	12%
2403	Manufactured Tobacco; Tobacco Extracts and Essences	45%	12%

Import Requirements and Restrictions

An importer of unmanufactured tobacco except refuse is not restricted by quotas, monopoly practices, or other special conditions. Import licenses are no longer required. The Government of Pakistan (GOP) requires importers to deposit 30 percent of the value of the letter of credit at the time of opening. This condition is posing a problem for importers.

Taxes

In addition to the above requirements, importers are required to pay the following taxes:

- 1) a 6-percent import license fee at the time of establishing a letter of credit;
- 2) a 5-percent Iqra (education) tax on the pre-duty value;
- 3) a 10-percent import surcharge on the pre-duty value; and
- 4) a 12.5-percent sales tax on the duty paid value.

Anti-smoking

The Government of Pakistan (GOP) prohibits smoking in offices and airplanes. A radio and television campaign has been started to discourage smoking. The Government does not apply any quality controls on cigarette producers. The GOP requires that tobacco companies display health warnings on cigarette packages and advertising in both English and Urdu. A typical warning is as follows: "Warning: Smoking is injurious to health-Ministry of Health".

RUSSIA

Tariffs

Currency: Ruble

Tariff	Description	Base Rate (M.F.N)
2401	Unmanufactured tobacco, Tobacco refuse	5 percent
2402	Cigars, Cheroots, Cigarillos and Cigarettes, of Tobacco or of Tobacco substitutes	30 percent but not less than 3 ECU for 1,000
2403	Other Manufactured tobacco and Manufactured tobacco substitutes; Homogenized or Reconstituted tobacco; Tobacco extracts and Essences	30 percent
2403.1	Smoking tobacco, Whether or not containing Tobacco substitutes in any proportion	20 percent

Excise Tax

Tariff	Item	Excise tax
2402.10	Cigars	3 rubles per piece or US\$.50
2402.10	Cigarillos	25 rubles or US\$4.17
2402.20	Cigarettes with filter length 85 mm, per 1,000 pieces	25 rubles or \$US4.17
	Cigarettes with filter, length over 85 mm, per 1000 pieces	25 rubles or US\$4.17
	Cigarettes with filter, length less than 85 mm per 1,000 pieces	17 rubles or US\$2.83
	Cigarettes without Filter per 1,000 pieces	6 rubles or US\$1.00
	Papirosas, Class 1 (GOST) per 1,000	4 rubles or US\$0.66
2403.10	Pipe Tobacco	140 rubles or \$US 24.33
2403.10	Smoking Tobacco	60 rubles or \$US 10.00 per 1.0 kg
2403.10	Smoking Tobacco, for Filling of Cigarettes by hand	60 rubles or \$US 10 per 1.0 kg

2403.10	Smoking Tobacco for Filling Cigarettes Other than By-Hand Way	None
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Discussion

Russians prefer imported raw tobacco due to low tariffs. Cigarette imports on the other hand are highly tax. Imported leaf tobacco is charged a 20-percent value added tax which is compensated later in the price of manufactured tobacco products.

Import Requirements and Restrictions

There are no non-tariff restrictions on imports. Imports are handled by various private companies, some of which were spun off the former "Sojuzplodoimport" or "Prodintorg" state trading enterprises but are now doing business on their own.

Cigarettes, HS #2402.20, are subject to customs reference price requirements. If the declared customs price of 1,000 pieces of cigarettes is more than \$10, the cargo can be cleared by the individual customs port. However, if the declared price of cigarettes is lower than this benchmark of \$10 per 1,000 the decision on clearance must be made at a higher level customs' office, with the level needed to approve a shipment depending on the import price (the lower the price, (the higher the level of bureaucracy). Alternatively, instead of waiting for a decision, it is also possible to clear cargo more quickly based on a special reference price of \$15 per 1,000 pieces.

Excise Tax

In accordance with the Resolution of the Government of the Russian Federation #213, all cigarettes produced since April 1, 1997 should have excise stamps, and any sales of cigarettes without excise tax stamps produced after June 1, 1997 are prohibited. This measure doesn't affect imported cigarettes since they already have an excise stamp. In addition to tariffs and a value-added tax, manufactured tobacco products are assessed an excise tax. New amendments to the federal law on excise taxes were signed by the President in February 1997. The excise tax depends on the quality or grade of the cigarettes and varies from 5,500 rubles (US\$1.00) to 21,000 rubles (US\$3.57). However, the new law doesn't differentiate between high quality cigars and low quality cigars or cigarillos. Tariff preferences were eliminated to reduce smuggling. Tariff preferences for nonprofit and charitable institutions such as sports were removed. However, imports of cigarettes from Ukraine and other CIS countries enter tax free.

Anti-smoking

Anti-smoking measures are not an issue in Russia because Russians have reacted slowly to concerns of the adverse effects of smoking. There is little if any legislation which covers cigarette sales. However, there is a ban on cigarette advertising on television and cinemas. Cigarette manufactures cannot use models under 25 to advertise cigarettes. Western companies voluntarily agreed to label cigarettes with health warning. They also agreed not to

advertise in youth magazines and not to post billboard ads near schools. Control over cigarette quality was strengthened by the State Committee on Sanitary and Epidemiological Surveillance. Starting from January 1997, the maximum affordable level of tar is 15 mg for all filter cigarettes and 22 mg for all cigarettes without filters. The maximum affordable level of nicotine is 1.3 mg for both filter and non-filter cigarettes. This decision should not affect distribution of foreign cigarettes imported from developed countries, as they already meet these standards. Additionally, all tobacco products for retail sale in the Russian Federation must have a Russian language label showing the product name, trade mark, name and address (including country) of producer or licensee (name of producer of company can be in Latin letters), whether the product is filtered, the quantity of pieces or weight (net), a notification of presence of menthol (for cigarettes with menthol), and a message of the dangers of smoking.

TUNISIA

Tariffs

Currency: Dinar

Item	Description	Import Duty
2401	Unmanufactured Tobacco	25%
2402	Manufactured Tobacco, Tobacco Extracts and Essences 1/	34%
2402	Manufactured Tobacco, Tobacco Extracts and Essences, Other 1/2/	34%

1/ With prohibition of sale and subject to authorization by customs authorities.

2/ The duty may be modified by decree of the Minister of Finance.

Import Requirements and Restrictions

Tobacco imports are controlled by Tunisian tobacco companies (Regie Nationale des Tabacs et Allumettes (RNTA) Tunis, and Manufacture des Tabacs de Kairouan (MTK). RNTA controls tobacco production throughout the country while both RNTA and MTK manufacture cigarettes. Tobacco marketing in Tunisia is controlled by both RNTA and MTK with RNTA given exclusive marketing rights to the northern third of the country. MTK controls tobacco marketing in the southern two-thirds of the country. Products manufactured by both companies are available for purchase throughout the country. The government controls cigarette imports through import licenses handled by RNTA and restrictions placed on foreign exchange.

Taxes

In addition to customs duties, there are other taxes as follows:

1. cigarettes are assessed a 135.9-percent tax (consumption tax 102 percent, custom service fee 1.5 percent, value added tax of 29 percent, other 3.4 percent);
2. imported leaf tobacco is taxed at 58.9 percent (consumption tax of 25 percent, custom service fee of 1.5 percent, value added tax of 29 percent, other 3.4 percent); and
3. an additional tax amounting to 0.1 dinar per pack for imported brands and 0.03 dinars for local brands was instituted on February 1, 1990 in order to raise revenue for flood control.

Anti-smoking

Apart from some articles in the press, there are no anti-smoking measures. General advertising restrictions apply to cigarettes as they do other products. However, smoking is prohibited in movie theaters and public transportation.

UZBEKISTAN

Tariffs

Currency: Uzbekistani
(UKS)

Discussion

British American Tobacco, BAT and the Government of Uzbekistan signed a joint venture in 1994. Under this agreement BAT is not required to pay import duties on inputs and equipment until 1999.

Import Duties

The duty on cigarette imports and exports both filter and non-filter are 30 percent plus 20 percent value added tax.

Excise Tax

There is a 40-percent excise tax on filter cigarettes and a 25-percent tax on non-filter cigarettes.